

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Dubois Telephone Exchange, Inc (Prepared with Audited Data)			
<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>		PERIOD ENDING December, 2014	BORROWER DESIGNATION WY0515		
CERTIFICATION <i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i> ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i>					
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report </div> </div>					
Michael Kenney		3/17/2015 DATE			
PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	2,329,150	3,068,145	25. Accounts Payable	161,796	169,206
2. Cash-RUS Construction Fund	547,196	32,084	26. Notes Payable		0
3. Affiliates:			27. Advance Billings and Payments	114,983	115,129
a. Telecom, Accounts Receivable	189,060	11,473	28. Customer Deposits	2,800	3,800
b. Other Accounts Receivable	386,846	1,705	29. Current Mat. L/T Debt	263,823	217,503
c. Notes Receivable		0	30. Current Mat. L/T Debt-Rur. Dev.		0
4. Non-Affiliates:			31. Current Mat.-Capital Leases		0
a. Telecom, Accounts Receivable	181,480	168,193	32. Income Taxes Accrued		0
b. Other Accounts Receivable	285,108	480,584	33. Other Taxes Accrued	29,967	30,184
c. Notes Receivable		0	34. Other Current Liabilities	119,347	216,952
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	692,716	752,774
6. Material-Regulated	151,925	120,114	LONG-TERM DEBT		
7. Material-Nonregulated	11,277	8,492	36. Funded Debt-RUS Notes		
8. Prepayments	114,377	173,318	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes	3,717,972	3,271,325
10. Total Current Assets (1 Thru 9)	4,196,419	4,064,108	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development		0	42. Reacquired Debt		
b. Nonrural Development		0	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development		0	45. Other Long-Term Debt		
b. Nonrural Development	176,000	175,000	46. Total Long-Term Debt (36 thru 45)	3,717,972	3,271,325
13. Nonregulated Investments		0	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets		0	47. Other Long-Term Liabilities	3,145,580	3,499,188
15. Deferred Charges	320,591	320,591	48. Other Deferred Credits		
16. Jurisdictional Differences		0	49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	496,591	495,591	50. Total Other Liabilities and Deferred Credits (47 thru 49)	3,145,580	3,499,188
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	28,989,553	30,095,010	51. Cap. Stock Outstand. & Subscribed	20,613	20,613
19. Property Held for Future Use		0	52. Additional Paid-in-Capital		
20. Plant Under Construction	187,292	260,349	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	16,856,034	17,868,575	55. Other Capital	(458,228)	(689,492)
23. Net Plant (18 thru 21 less 22)	12,320,811	12,486,784	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)	17,013,821	17,046,483	57. Retained Earnings or Margins	9,895,168	10,192,075
			58. Total Equity (51 thru 57)	9,457,553	9,523,196
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	17,013,821	17,046,483

Total Equity = 55.87% % of Total Assets

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		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2014	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		933,177	921,238
2. Network Access Services Revenues		4,148,426	4,423,132
3. Long Distance Network Services Revenues			101
4. Carrier Billing and Collection Revenues		26,943	23,831
5. Miscellaneous Revenues		160,321	181,142
6. Uncollectible Revenues		1,244	(277)
7. Net Operating Revenues (1 thru 5 less 6)		5,267,623	5,549,721
8. Plant Specific Operations Expense		1,620,596	1,518,709
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		246,859	218,032
10. Depreciation Expense		1,248,476	1,549,269
11. Amortization Expense			0
12. Customer Operations Expense		217,902	183,756
13. Corporate Operations Expense		1,083,166	949,939
14. Total Operating Expenses (8 thru 13)		4,416,999	4,419,705
15. Operating Income or Margins (7 less 14)		850,624	1,130,016
16. Other Operating Income and Expenses			0
17. State and Local Taxes			0
18. Federal Income Taxes		(177,405)	(8,515)
19. Other Taxes		581,964	436,492
20. Total Operating Taxes (17+18+19)		404,559	427,977
21. Net Operating Income or Margins (15+16-20)		446,065	702,039
22. Interest on Funded Debt		54,895	91,886
23. Interest Expense - Capital Leases			0
24. Other Interest Expense			0
25. Allowance for Funds Used During Construction		18,366	3,891
26. Total Fixed Charges (22+23+24-25)		36,529	87,995
27. Nonoperating Net Income		305,066	(3,290)
28. Extraordinary Items			0
29. Jurisdictional Differences			0
30. Nonregulated Net Income		87,575	86,153
31. Total Net Income or Margins (21+27+28+29+30-26)		802,177	696,907
32. Total Taxes Based on Income		341,933	365,199
33. Retained Earnings or Margins Beginning-of-Year		9,292,991	9,895,168
34. Miscellaneous Credits Year-to-Date			0
35. Dividends Declared (Common)		200,000	400,000
36. Dividends Declared (Preferred)			0
37. Other Debits Year-to-Date			0
38. Transfers to Patronage Capital			0
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		9,895,168	10,192,075
40. Patronage Capital Beginning-of-Year			0
41. Transfers to Patronage Capital			0
42. Patronage Capital Credits Retired			0
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		211,833	355,935
45. Cash Ratio [(14+20-10-11) / 7]		0.6783	0.5943
46. Operating Accrual Ratio [(14+20+26) / 7]		0.9223	0.8894
47. TIER [(31+26) / 26]		22.9600	8.9198
48. DSCR [(31+26+10+11) / 44]		9.8530	6.5579

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INSTRUCTIONS - See RUS Bulletin 1744-2

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
583	24.25	16.00	22	70	92	80.00	34.00
455	31.76	31.76	450	880	1,330	1,024.00	158.00
486	31.76	31.76	22	81	103	273.00	19.00
383	31.76	31.76	215	306	521	246.00	68.00
Mobile/Wireless					0		
Route Mileage Outside Exchange Area						78.00	74.00
Total			709	1,337	2,046	1,701.00	353.00
No. Exchanges	4						

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
455	1,330	890	597	3,000	512	34.00	Package	Fiber to the Home
486	103	66	50	3,000	512	34.00	Package	DSL
383	521	304	249	3,000	512	34.00	Package	DSL
583	61	44	35	3,000	512	34.00	Package	DSL
Total	2,015	1,304						

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INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
11	8	3,926	.52	1.20	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 512291 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					1,642,686
6. Salvaged Materials					
7. Contribution in Aid to Construction					(6,790)
8. Gross Additions to Telecom. Plant (1 thru 7)					1,635,896
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority
 with jurisdiction over the provision of telephone services? (Check one)



YES



NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	9.55%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	6.96%
4. Land and support assets - Garage and other work equipment	2.17%
5. Land and support assets - Buildings	3.78%
6. Land and support assets - Furniture and Office equipment	14.21%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	11.17%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	10.46%
12. Central Office Transmission - Circuit equipment	11.85%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.97%
19. Cable and wire facilities - Aerial cable - Metal	9.35%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	5.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	5.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	5.00%
26. Cable and wire facilities - Other	

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INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2014	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		2,876,346	
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income		696,907	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation		1,549,269	
4. Add: Amortization		0	
5. Other (Explain)			
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable		380,539	
7. Decrease/(Increase) in Materials and Inventory		34,596	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(58,941)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		7,410	
11. Increase/(Decrease) in Advance Billings & Payments		146	
12. Increase/(Decrease) in Other Current Liabilities		97,822	
13. Net Cash Provided/(Used) by Operations		2,707,748	
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable		0	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		1,000	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(492,967)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		353,608	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(231,264)	
20. Less: Payment of Dividends		(400,000)	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain)			
23. Net Cash Provided/(Used) by Financing Activities		(769,623)	
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)		(1,178,514)	
25. Other Long-Term Investments		1,000	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) prop,plant,equip+afudc less line 24		(536,728)	
28. Net Cash Provided/(Used) by Investing Activities		(1,714,242)	
29. Net Increase/(Decrease) in Cash		223,883	
30. Ending Cash		3,100,229	

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NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	